



DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

News Release

LINDA LINGLE
GOVERNOR

PEARL IMADA IBOSHI, DIRECTOR
COLLEEN Y. LaCLAIR, DEPUTY DIRECTOR
Phone: (808) 586-8844
Fax: (808) 586-9099

MR 2010 14

For Immediate Release: August 23, 2010

**HAWAII'S SEASONALLY ADJUSTED UNEMPLOYMENT RATE
REMAINS AT 6.3 PERCENT IN JULY**

National Unemployment Rate also unchanged at 9.5 percent

HONOLULU - The Hawai'i State Department of Labor and Industrial Relations announced today that the seasonally adjusted unemployment rate for July was 6.3 percent, the same as in June. Nationally, the seasonally adjusted unemployment rate also remained unchanged at 9.5 percent in July and June. There were 594,400 employed and 40,250 unemployed individuals in July, for a total seasonally adjusted labor force of 634,700.

"Hawaii's unemployment rate is significantly lower this year as compared to last," said Pearl Imada Iboshi, Director of Labor and Industrial Relations. "We are continuing to see steady improvement in the employment situation in Hawai'i."

State of Hawai'i Seasonally Adjusted Labor Force Data**			
	<u>Jul 2010</u>	<u>Jun 2010</u>	<u>Jul 2009*</u>
Labor Force	634,700	636,400	637,600
Employment	594,400	596,050	592,900
Unemployment	40,250	40,350	44,750

* benchmarked data

**totals may not add due to rounding

	JUL 2010	JUN 2010	JUL* 2009
<u>Seasonally Adjusted</u>			
STATE	6.3	6.3	7.0
U. S.	9.5	9.5	9.4
<u>Not Seasonally Adjusted</u>			
STATE	6.8	6.9	7.2
HONOLULU	5.8	5.8	6.1
HAWAI'I COUNTY	10.0	10.4	10.3
KAUA'I	8.7	9.0	9.6
MAUI COUNTY	8.2	8.5	9.0
Maui Island	8.0	8.3	8.7
Moloka'i	14.8	12.1	15.7
Lana'i	7.0	7.9	10.3
U. S.	9.7	9.6	9.7

county & island rates are not seasonally adjusted

* benchmarked data

The unemployment rate figures for the State of Hawai'i and the U.S. in this release are seasonally adjusted, in accordance with the U.S. Bureau of Labor Statistics (BLS) methodology. The not seasonally adjusted rate for the State declined to 6.8 percent in July from 6.9 percent in June.

Industry Payroll Employment (Establishment Survey)

In another measure of employment, total seasonally adjusted nonagricultural jobs increased by 5,100 or 0.9 percent from 589,300 to 594,400 in July. The industries recording job growth included Educational and Health Services (+2,700); Trade, Transportation and Utilities (+900); Leisure and Hospitality (+700); Other Services (+500); and Professional and Business Services (+400). The sectors posting job decreases were Financial Activities (-100); and Construction (-2,000). Government grew mainly in State Government. Over-the-year, from July 2009, the seasonally adjusted job count rose by 6,100 jobs or 1.0 percent. The industries registering job increases in the private sector were Educational and Health Services (+4,400); and Leisure and Hospitality (+3,600). The loss of jobs due to the merger of two local newspapers is reflected in the total seasonally adjusted nonfarm jobs.

Seasonally Adjusted Non-Ag. Jobs (Statewide)

SELECTED SERIES:	Jul-10	Jun-10	Jul-09*
MINING, LOGGING AND AND CONSTRUCTION	28,200	30,200	31,100
TRADE, TRANSPORTATION & UTILITIES	112,400	111,500	110,500
Wholesale Trade	17,000	17,000	17,700
Retail Trade	68,000	67,300	65,900
FINANCIAL ACTIVITIES	27,200	27,300	27,500
Real Estate & Rental & Leasing	11,400	11,400	11,200
PROFESSIONAL & BUSINESS SERVICES	68,600	68,200	70,400
Professional, Scientific, Tech Svcs	23,900	23,300	24,300
EDUCATIONAL & HEALTH SERVICES	78,500	75,800	74,100
Educational Services	17,100	15,100	14,300
Health Care & Social Assistance	61,400	60,700	59,800
LEISURE & HOSPITALITY	103,700	103,000	100,100
Arts, Entertainment & Recreation	10,500	10,500	10,600
Accommodation & Food Services	93,200	92,500	89,500
OTHER SERVICES	26,800	26,300	25,700
GOVERNMENT	127,000	124,500	126,800
Federal Government	34,900	35,400	33,300
State Government	73,300	70,300	74,800
Local Government	18,800	18,800	18,700
TOTAL: STATEWIDE	594,400	589,300	588,300

* Benchmarked Data

❖ **Educational and Health Services (+2,700)**

This major industrial group reported a 2,700-job increase in July after posting two consecutive months of losses. The bulk of the growth was in Educational Services rising by 2,000 jobs mainly in elementary and secondary schools as well as in sports and recreation instruction; and fine arts schools. Health Care and Social Assistance accounted for the remaining 700 jobs in various entities in Health Care such as in offices of physicians; offices of optometrists; and community care facilities for the elderly.

❖ **Trade, Transportation, & Utilities (+900)**

This major series trended up for the second consecutive month adding 900 jobs. Wholesale Trade remained relatively unchanged. The uptrend in grocery and related product merchant wholesalers; and paper and paper product merchant wholesalers was offset by the downtrend in recyclable material merchant wholesalers; and other miscellaneous durable goods merchant wholesalers. Retail Trade added 700 jobs in department stores; and book, periodical, and music stores. Transportation, Warehousing and Utilities made up the remaining 200-job gain in scenic and sightseeing transportation, water; and air transportation.

❖ **Leisure and Hospitality (+700)**

Leisure and Hospitality expanded by 700 jobs after remaining stable a month earlier. Arts, Entertainment and Recreation reported no change. The increase in performing arts companies edged up slightly over the decrease in amusement and recreation industries. Accommodation and Food Services accounted for the total job gain. Hotel operators added more staff which was reflected in part due to the increase in hotel occupancy rates and visitor arrivals. Food establishments made up most of the job increase in drinking establishments and full-service restaurants.

❖ **Other Services (+500)**

This miscellaneous industry registered a 500-job gain following a slight drop a month ago. Job increases were in drycleaning and laundry services (except coin operated); and linen and uniform supply.

❖ **Professional and Business Services (+400)**

This industrial series posted a 400-job increase after falling by the same amount in June. Professional, Scientific, and Technical Services grew by 600 jobs in various entities including custom computer programming services; marketing research and public opinion polling; and offices of lawyers. Administrative and Support and Waste Management and

Remediation Services comprised the 200-net-job loss in employment services; and investigation and security services.

❖ **Financial Activities (-100)**

Financial Activities edged down by a modest 100 jobs, sliding for the fifth straight month.

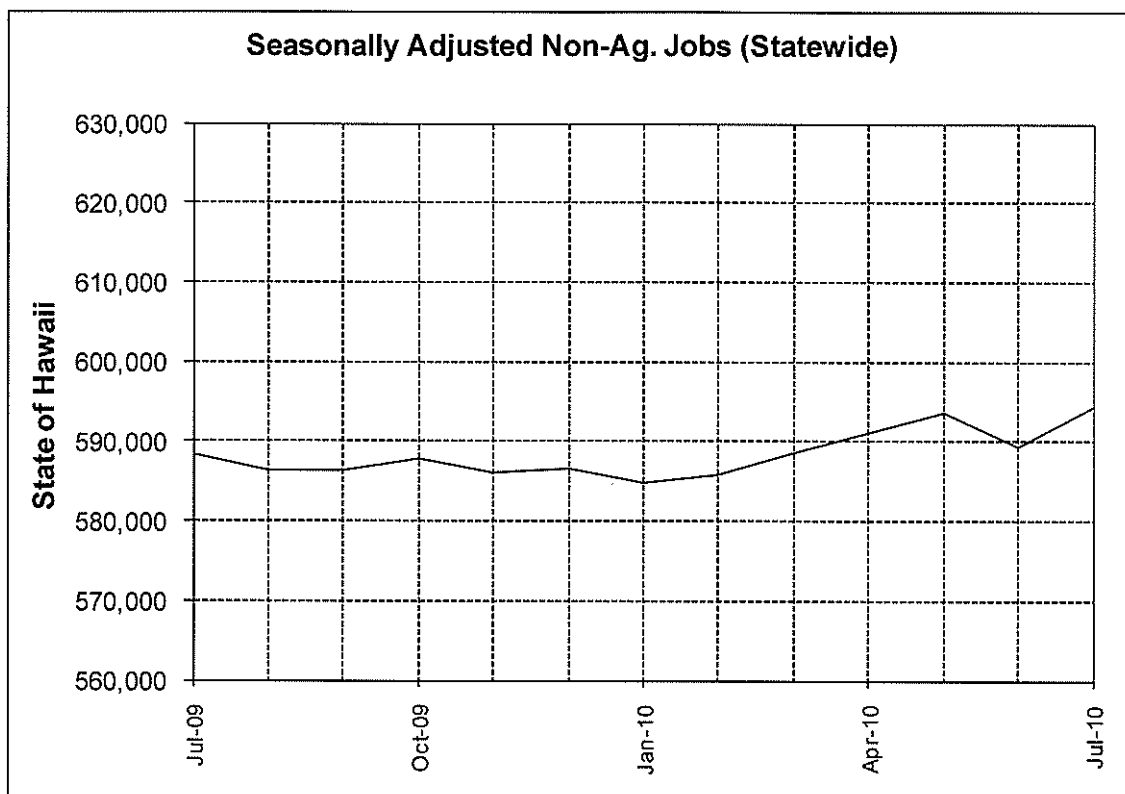
Finance and Insurance trimmed jobs in depository credit intermediation. Real Estate and Rental and Leasing remained unchanged. The upturn in automotive equipment rental and leasing was countered by the downturn in real estate property managers.

❖ **Construction (-2,000)**

Construction declined by 2,000 jobs from June, slipping for the second straight month. Jobs were curtailed in all three basic industries. Heavy and civil engineering construction fell minimally in utility system construction. Construction of buildings receded in residential building construction. The largest decline occurred in special trade contractors in building finishing contractors; site preparation contractors; and foundation, structure, and building exterior contractors. Over-the-year from July 2009, construction contracted by 2,900 jobs or 1.7 percent partly due to delay in projects and less building permits during the economic downturn.

❖ **Government (+2,500)**

Government grew by 2,500 jobs in July. Federal Government reported a 500-job loss most of which was due to the continual release of its 2010 census workers. Local Government remained constant. State Government rose by 3,000 jobs partly due to the hiring of summer student interns under the summer youth employment program. However, the bulk of the increase was predominantly in the Department of Education due to its year-round calendar schedule.



Technical Notes

Seasonal Adjustment

The seasonal fluctuations in the number of employed and unemployed persons reflect hiring (and layoffs) patterns that accompany regular events such as the winter holiday season and the summer vacation season. These variations make it difficult to tell whether month-to-month changes in employment and unemployment are due to normal seasonal patterns or to changing economic conditions. To deal with such problems, a statistical technique called seasonal adjustment is used. This technique uses the past history of the series to identify the seasonal movements and to calculate the size and direction of these movements. A seasonal adjustment factor is then developed and applied to the estimates to eliminate the effects of regular seasonal fluctuations on the data. When a statistical series has been seasonally adjusted, data for any

month can be more meaningfully compared with data from any other month or with an annual average.

Current Population (Household) Survey (CPS)

The labor force statistics are derived from a survey based on the week including the 12th of each month of Hawai'i residents with a sample size of about 1,000 households. A series of questions are asked to assess whether a person is currently part of the labor force, and if so, what is their current employment status. Employed persons consist of: 1) all persons who did any work for pay or profit during the survey reference week, 2) all persons who did at least 15 hours of unpaid work in a family-owned enterprise operated by someone in their household, and 3) all persons who were temporarily absent from their regular jobs, whether they were paid or not. Persons are classified as unemployed if they do not have a job, have actively looked for work in the prior four weeks, and are currently available for work. Workers expecting to be recalled from layoff are counted as unemployed, whether or not they have engaged in a specific job seeking activity. Persons not in the labor force are those who are not classified as employed or unemployed during the survey reference week.

Changes to Local Area Unemployment Statistics Data

The 2009 labor force estimates have been revised to incorporate updated inputs, updated population controls, re-estimation of models, and adjustment to new division and national control totals. The updated population controls reflect the annual updating of population estimates by the U.S. Census Bureau.

In addition, the Local Area Unemployment Statistics program has introduced a long-run trend smoothing procedure to its seasonally adjusted data series back to January 1976. The smoothing procedure reduces month-to-month volatility in the estimates and addresses long-

standing disconnection issues related to end-of-year revisions that will enhance the analytical capability of the estimates. For more information about this topic, please see the questions and answers on the Bureau of Labor Statistics website at www.bls.gov/lau/lassaqa.htm.

Alternative Measures of Labor Underutilization

Alternative Measures of Labor Underutilization for States, Third Quarter of 2009 through Second Quarter of 2010 Averages is now available.

Alternative measures of labor underutilization by state, third quarter of 2009 through second quarter of 2010 averages (percent)

State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	5.6	6.2	9.7	10.3	11.1	16.8
Hawaii	3.6	4.0	7.0	7.6	8.7	15.8

The six alternative labor underutilization state measures based on the Current Population Survey (CPS) and compiled on a 4-quarter moving average basis defined:

- U-1, persons unemployed 15 weeks or longer, as a percent of the civilian labor force;
- U-2, job losers and persons who completed temporary jobs, as a percent of the civilian labor force;
- U-3, total unemployed, as a percent of the civilian labor force (this is the definition used for the official unemployment rate);
- U-4, total unemployed plus discouraged workers, as a percent of the civilian labor force plus discouraged workers;
- U-5, total unemployed, plus discouraged workers, plus all other marginally attached workers*, as a percent of the civilian labor force plus all marginally attached workers; and
- U-6, total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers.

* Individuals who want, and are available for work, and who have looked for a job sometime in the prior 12 months (or since the end of their last job if they held one within the past 12 months), but were not counted as unemployed because they had not searched for work in the four weeks preceding the survey, for such reasons as child care or transportation problems, for example. Discouraged workers are a subset of the marginally attached.

Note that, the state unemployment rates (U-3) that are shown are derived directly from the CPS. As a result, these U-3 measures may differ from the official state unemployment rates for the latest 4-quarter period. The latter are estimates developed from statistical models that incorporate CPS estimates, as well as input data from other sources, such as state unemployment claims data.

Based on data for the U-6 measure, it appears that Hawaii has a greater percentage of workers in the labor force (7.1 percent) that are part-time due to economic reasons than the U.S. as a whole (5.7 percent).